The grand committee consisting of Mr. Howell, Mr. Foster, Mr. King, Mr. Cook, Mr. Platt, Mr. Cadwallader, Mr. Henry, Mr. Bedford, Mr. M'Henry, Mr. Hardy, Mr. Williamson, Mr. Pinckney and Mr. Houstoun, appointed to report a requisition on the states for the supplies of the present year, beg leaveto [sic] lay before Congress, the following report. c. 1

The **GRAND COMMITTEE** consisting of Mr. Howell, Mr. Foster, Mr. King, Mr. Cook, Mr. [Smith] Platt, Mr. [Beatty] Cadwallader, Mr. [Gardner] Henry, Mr. Bedford, Mr. [Hindman] McHenry, Mr. [Monroe] Hardy, Mr. Williamson, Mr. Pinckney and Mr. Houston, appointed to report a **REQUISITION** on the **STATES** for the **SUPPLIES** of the present Year, beg leave to lay before Congress, the following **REPORT.**

THAT for the services of the present year, one thousand seven hundred and eighty five, for the payment of one year's interest on the foreign and domestic debts of the United States, it will be necessary that the sum of THREE MILLIONS of **DOLLARS** be paid into the common treasury, on or before the thirty-first day of December next, to be appropriated and applied to the following purposes, viz. DOLLARS. To the civil department, 122,331 The Military department, 187,224.33 The Marine department, 30,000 Indian treaties, 5,000 Federal buildings, 30,000 Contingent expences, 60,000 434,555.33

FOREIGN DEBT. On 10,000,000 livres, loaned in Holland, guaranteed by France, payable 5th November, 1785, one year's interest, 74,074 24,000,000 ditto, loaned by royal treasury of France, including the loans of 1783, one year's interest thereon at 5 per cent. 1,200,000 livres, at 5 liv. 8s. per dollar, payable Sept. 5, 1785. 222,222.20 174,000 dollars, borrowed

in Spain, one year's interest thereon payable, 31st Dec. 1785, 8,700 3,481,000 florins, loaned in Holland at 5 per cent. one year's interest payable on the 1st day of June 1785, florins 175,016.13.5 at 34d. ¾ 66,803.59 1,762,000 ditto, loaned in ditto, at 4 per cent. whereof becomes payable January 1st,1785, florins 56,550. 3. 5. at 34d.¾ 21,834.58 One year's interest on ditto, payable January 1st, 1786, 27,212.88 Foreign interest, 420,846.67

DOMESTIC DEBT. Liquidated One year's interest. 77,064.22 dollars, to the credit of sundries in the treasury book. 124,811.22 ditto, specie loan-office certificates. 516,266.57 ditto, funded debt from 31st December 1780. 48,450.32 ditto, general Lincoln's draughts on the president of Congress, from December 31st, 1780. 191,444.4 ditto, certificates by the commissioners for settling the staff departments from 1st January, 1780. 559,178.81 ditto, certificates issued by the commissioners for adjusting the accounts of individuals with the United States, 8,039,540 ditto, certificates issued by the commissioners for adjusting the army accounts, computed from various periods by estimates from the pay-office. 167,156.67 ditto certificates issued to foreign officers on final settlements. 9,723.912.21 Amount liquidated—One year's interest. 583,434 Unliquidated. 3,778.900 dollars, loanoffice certificates issued to 1st September 1777. 2,538.571. 7 ditto ditto, - to 1st March 1778. 5,083.014. 5 ditto ditto. issued from the 1st March 1778, to the close of the loan office. 63,316.57 ditto, the specie value of lottery loaned certificates. 4,823,724 ditto, army debt. The estimated amount of certificates to be issued to the lines of Maryland, Virginia, North Carolina, South Carolina and Georgia. 9,731.904 ditto, due on unliquidated accounts and for deficiencies. This may include the arrearages of interest. 26,019,430.77 dollars, amount unliquidated—One year's interest. 1,561,164.12 Excess of the estimate of April 27, 1784 above the requisition of that date 1,141,551 44/90 Total Amount, [4,141,551 44/90] Deduct for loans in Holland 1,141,551 44/90 Balance 3,000,000

[The Comte find that the estimate of 27 April 1784 includes the service of that year, the interest of the foreign debt to the last day of that year & of the domestic debt to the last day of the year 1783; but that the requisition then made on the states to compleat their payments to the amount of a moiety of their respective quotas of the requisition of Octo.

30, 1781 for 8,000,000 dols being the sum of 2,670,987 89/90 dollars was less than that estimate by the sum of 1,141,551 44/90. To supply this deficiency the Commte have relied on the Holland loans which from the last information they expect will soon be filled.]

The committee find that the requisition of April 27, 1784, provides for the services of the year 1784, for the payment of the interest on the foreign debt, to the last day of that year, and on the domestic debt, to the last day of the year 1783, for those purposes, in addition to the sum of 2,670,987,289 dollars, then specially required, Congress relied also on the payment of the requisition of September 4th, 1780, for 1,000,000 dollars, both of which requisitions they called on the states, in the most pressing terms, to comply within the course of the last year if the present requisition will therefore, provide payment for the services of the year 1785 - for the interest on the foreign debt, to the last day of the same and on the domestic debt to the last day of the year, 1784.

The committee find that, for reasons stated in the last requisitions, there yet remains a moiety of the requisition of October 30th, 1781, for eight millions of dollars—and the whole of the requisition of October 16th, 1782, for two millions of dollars, to be applied to the common uses of the United States, before any new requisition ought to be made. They are therefore of opinion, that three quarters of the remaining moiety aforesaid, be required of the several states, and called into actual payment, in the course of the present year.

The committee have not been able to obtain information how many states have complied with the resolution of February 17th, or that of April 18th, 1783, relative to a rule, or measure for quotaing federal requisitions—They are therefore of opinion, that the several states which have not decided on that subject, be again solicited to come to a decision thereon, and to send forward the same, as a measure necessary to enable Congress to effect a settlement of accounts with the several states, and to apportion to each a just quota of the public expences; but in the mean time, as the exigencies of the public render it the duty of Congress to continue their annual requisitions, the committee are of opinion, that in such requisitions the several states ought to be quotaed agreeably to equity, on the

best information Congress may have at the time of the demand—and therefore beg leave to recommend to Congress, that the sum of three millions of dollars, be re- quired of the states, as three quarters of the remaining moiety of the requisition of October 30th, 1781, be apportioned to the several states, as follows, viz. DOLLARS. New-Hampshire, 105,416 Massachusetts, 448,854 Rhode-Island and Providence Plantations, 64,636 Connecticut, 264,182 New-York, 256,486 New-Jersey, 166,716 Pennsylvania, 410,378 Delaware, 44,886 Maryland, 283,034 Virginia, 512,974 North-Carolina, 218,012 South-Carolina, 192,366 Georgia 32,060

3,000,000

Which sums, when paid, shall be passed to the credit of the states respectively, on interest, to be hereafter adjusted agreeably to the resolution of October 6th, 1779, and applied in conformity with the several appropriations in the preceding part of this report, giving preference according to the orders in which they are stated.

As more than a moiety of the sum required is to be applied to the payment of interest on the domestic debt; the committee are of opinion, that the several legislatures be allowed so to model the collection of the sums called for, that one half of any sum being paid in actual money, the other half may be discharged by the interest arising on loan-office certificates, the army debt, and other liquidated debts of the United States. That to ascertain the evidences of the interest arising on certificates of the aforesaid descriptions, receivable in taxes in lieu of money, the holders be at liberty to carry the same to the keeper of the loan-office, in the state of which he is a citizen, or if a foreigner, to the keeper of a loan-office, in any of the United States, and to have the interest due thereon, settled and certified to the last day of the year 1783. That the commissioners of the treasury cause to be made a bank-paper, and thereon to be struck a form of a certificate which shall specify the interest due as aforesaid, and transmit to the keepers of the several loan-offices, a sufficient number of said certificates with proper blanks. That the commissioners of the treasury transmit to the keepers of the several loan offices, such checks and

instructions from time to time as they may judge necessary, to prevent counterfeited evidences of debts from obtaining a settlement of interest —and to the receivers of federal taxes in each state, such checks and instructions as may enable them to detect counterfeit evidences of interest, and avoid receiving them in payment of taxes as aforesaid. That the certificates of interest be receivable from the bearer in lieu of money as aforesaid, in any other state in the union, as well as in the state in which they were issued. That the state receiving such certificates in the aforesaid proportion, and paying the same into the common treasury, have credit therefor in the aforesaid proportion; which payment by the state shall be considered as a discharge of the interest due on the domestic debt in the proportion, that each state avails itself of the aforesaid evidences—and should any state pay into the common treasury a greater proportion in actual money, than one half of its quota, that the same be applied according to the estimate giving preference to the discharge of the expences of internal government, and the interest due upon the foreign debt.

By a letter from the late superintendant of finance, dated Philadelphia, February 23d, 1785, the committee have been informed, that from December 31st, 1783, to October 30th, 1784, he had received in payment of taxes from the several states, 559,032.75-90 dollars—and that he had drawn orders on the receivers of taxes for 143,892.75-90 dollars more; that he had not been in capacity to make any payment due in France the last year; that after deducting the sums necessary to make all the payments falling due in Holland, in the course of the last year, there remained in the hands of the commissioners of the late loan, on the 30th of September last, the sum of 502,928 florins; that on the 30th day of October last, a balance remained in the common treasury of 21,986.75 90 dollars; and that the public accounts from February, 1781, when he was appointed, to October the 30th, 1784, when he resigned his commission, have been prepared and delivered to the printer for publication.

When the commissioners of the treasury shall have entered on the duties of their appointment, an account of the expenditures of the whole of the last year, of the payment

made by the several states during the same, and of the actual state of the treasury may be expected; and in the opinion of your committee ought to be transmitted to the supreme executives of the several states.

When the committee reflect on the great exertions of these states during the late war, and their consequent exhausted condition at the return of peace; the variety of demands with which they were embarrassed; their want of experience in affairs of revenue; the actual contributions made by those states whose governments have acquired energy, and whole resources have become productive; the zeal of all to apply with effect to their respective resources, to relieve the distresses of their citizens, and to contribute their just proportion of federal supplies: when they consider that justice and good faith are the solid pillars on which these states are to be supported, they are induced to ascribe the failure of some states, and the tardiness and deficiencies of others in complying with federal requisitions, to the operation of temporary causes, and not to any defect in our new constitutions, or to any want of virtue in our citizens; and confidently to hope that, in due time, all necessary arrangements will be made for supporting the national faith, and maintaining the dignity of the federal union.

The committee find that the revenue system of April 18th, 1783, have not yet been adopted; even in part, by all the states, nor fully by more than one or two states: and being of opinion that it is expedient for Congress to urge at this time, that plan, which has been so long under reference to the states, and which after the most mature consideration, they conceive essentially necessary to the establishment of public credit, submit it to Congress, to recommend earnestly to those states, which have complied only in part, to adopt the same compleatly, and those which have not yet complied, to pass laws as early as possible in conformity thereto.

When the domestic creditors attend to the circumstances under which the foreign debts were contracted, and are to be paid, and to the necessity of prompt payment for the services of the current year, it is presumed they will easily see the propriety of the

preference given to those demands in the appropriations: they will however find a balance in the discounts to be admitted in their favour.

In order to admit foreigners and citizens holding loan-office certificates which issued from offices, other than those in their respective states, to an equal participation in the benefit of those discounts, the committee have found it necessary that the certificates of interest should be made receivable in any of the states, and have directed the necessary checks to prevent frauds.

In fixing the amounts of the present demand, the committee had regard to the abilities of the debtors as well as to the claim of the creditors; the sum demanded is indeed greater than that of last year; but the greater proportion of discount admitted, will render it less impoverishing to the individual states.

As a motive for the chearful payment of this requisition, as well as the arrearages on that of April 27, 1784, the committee are of opinion that the states be informed, that Congress are about soon to open a land office to dispose of the western territory, and that the proceeds thereof will be applied as a sinking fund to extinguish the principal of the domestic debts. Succeeding requisitions for interest on the domestic debt, will therefore be reduced in future, in proportion as this fund may be rendered productive.—And while on this subject, the committee beg leave to mention, that they cannot learn that any of the states claiming western territory, have made the expected cessions during the last year, they are therefore obliged to recommend that this subject be again presented to the attention of said state; and that they be again solicited in the strongest terms, to consider with candor and magnanimity the expectations of their sister states, and the earnest and repeated applications made to them by Congress on that subject.

Connecticut

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